

Hearing Date: November 7, 2018 at 9:30 a.m. (AST)
Objection Deadline: August 6, 2018 at 4:00 p.m. (AST)

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO
RICO, et al.,

Debtors.

PROMESA

Title III

No. 17-bk-3283-LTS

(Jointly Administered)

**NOTICE OF THIRD INTERIM APPLICATION FOR
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED BY ANDREW WOLFE AS
MACROECONOMIC CONSULTANT TO THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD OF PUERTO RICO, AS REPRESENTATIVE OF
THE DEBTORS, FROM FEBRUARY 1, 2018-MAY 31, 2018**

PLEASE TAKE NOTICE that a hearing will be held before the Honorable Laura Taylor Swain in Room 3 of the United States District Court for the District of Puerto Rico, Federal Building, Office 150, 150 Carlos Chardón Street, San Juan, Puerto Rico 00918-1767, on November 7, 2018 at 9:30 a.m. (AST), or as soon thereafter as counsel may be heard, or at an earlier date as ordered by the Court, to consider the third interim application for allowance of compensation for services rendered by Andrew Wolfe as macroeconomic consultant to the Financial Oversight and Management Board for Puerto Rico, as representative of the Debtors, from February 1, 2018-May 31, 2018, in the amount of \$100,000, and reimbursement of actual and necessary expenses incurred during such period in the amount of \$13,157.16, pursuant to PROMESA sections 316-17, Rule 2016, and Local Rule 2016-1.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the application by any party other than the fee examiner must be filed and served, so as to be received by August 6, 2018 at 4:00 p.m. (AST).

Dated: July 16, 2018

Respectfully submitted,

/s/ Andrew Wolfe

Andrew Wolfe

*Macroeconomic Consultant to Financial
Oversight and Management Board*

By: /s/ Jeffrey Chubak

Jeffrey Chubak

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**UNITED STATES DISTRICT COURT
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SUMMARY SHEET

**THIRD INTERIM APPLICATION FOR
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED BY ANDREW WOLFE AS
MACROECONOMIC CONSULTANT TO THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD OF PUERTO RICO, AS REPRESENTATIVE OF THE
DEBTORS, FROM FEBRUARY 1, 2018-MAY 31, 2018**

Applicant:	Andrew Wolfe
Authorized to provide services to:	The Financial Oversight and Management Board for Puerto Rico
Effective date of retention:	August 1, 2017
Compensation period:	February 1, 2018-May 31, 2018
Compensation sought:	\$100,000
Expense reimbursement sought:	\$13,157.16
Total sought:	\$113,157.16

This is a: _ monthly ☒ interim _final application

SUMMARY OF TIME BILLED DURING COMPENSATION PERIOD

Name	Title	Hours Recorded	Hourly Rate	Total Fees
Andrew Wolfe	Macroeconomic Consultant	557	N/A ¹	\$100,000

¹ Under his agreement, Andrew Wolfe is entitled to \$25,000/month, provided he “devote[s] at least half of the month’s normal business hours to services for the Board for the term of this Project Assignment,” plus reimbursement of expenses.

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Debtors.¹

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Title III

No. 17-bk-3283-LTS

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**THIRD INTERIM APPLICATION FOR
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED BY ANDREW WOLFE AS
MACROECONOMIC CONSULTANT TO THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD OF PUERTO RICO, AS REPRESENTATIVE OF THE
DEBTORS, FROM FEBRUARY 1, 2018-MAY 31, 2018**

Andrew Wolfe, macroeconomic consultant to the Financial Oversight and Management Board for Puerto Rico (“Oversight Board”), as representative of the Debtors pursuant to PROMESA section 315(b), submits his third interim application for allowance of compensation for services rendered from February 1, 2018-May 31, 2018 (“Compensation Period”) in the amount of \$100,000 and reimbursement of actual and necessary expenses incurred during such period in the amount of \$13,157.16, pursuant to PROMESA sections 316-17, Rule 2016, and Local Rule 2016-1, and respectfully states:

¹ The Debtors in these Title III Cases, along with the last four digits of their respective Federal Tax ID numbers, are: (i) Commonwealth of Puerto Rico (“Commonwealth”) (3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (3747).

JURISDICTION

1. This Court has subject matter jurisdiction to consider this application, pursuant to PROMESA section 306(a). Venue is proper in this district, pursuant to PROMESA section 307(a).

BACKGROUND

2. The Commonwealth commenced its Title III case on May 3, 2017; COFINA commenced its Title III case on May 5, 2017; HTA and ERS commenced their Title III cases on May 21, 2017; and PREPA commenced its Title III case on July 2, 2017. Pursuant to PROMESA section 315(b), the Oversight Board is the representative of each Debtor in its respective Title III case.

3. The Oversight Board engaged Mr. Wolfe as an independent contractor to provide macroeconomic consulting services in these Title III cases by Agreement, effective August 1, 2017. A copy of that agreement was filed with his second interim fee application. Under the agreement, he is entitled to compensation of \$25,000/month, provided he “devote[s] at least half of the month’s normal business hours to services for the Board for the term of this Project Assignment,” plus reimbursement of expenses.

4. Mr. Wolfe was engaged as a macroeconomic consultant for the purpose of advising the Oversight Board on mediation matters concerning the Debtors and consulting on the Debtors’ fiscal plan and debt sustainability issues. Prior to his retirement in 2014, Mr. Wolfe was senior manager of the Western Hemisphere Department at the International Monetary Fund for 27 years. Mr. Wolfe is presently an adjunct professorial lecturer at American University in Washington, D.C. He holds a Ph.D. in economics from the University of Wisconsin and a B.S.E. in economics and engineering from the University of Pennsylvania.

5. Mr. Wolfe filed his first interim fee application, covering the compensation period August 1, 2017-September 30, 2017, on January 17, 2018 [ECF No. 2259]. The order on that application was entered on April 17, 2018 [ECF No. 2911].

6. Mr. Wolfe filed his second interim fee application, covering the period October 1, 2017-January 31, 2018, on March 16, 2018 [ECF No. 2718]. The hearing on that application was deferred to July 25, 2018 [ECF No. 3193, Ex. B].

7. Mr. Wolfe served monthly fee statements for each month included in the Compensation Period, pursuant to the Interim Compensation Order (defined below). As of the date hereof, he has been paid 90% of fees and 100% of expenses incurred for the period ending March 31, 2018.

BASIS FOR RELIEF REQUESTED

8. PROMESA section 316(a) provides that this Court “may award to a professional person employed by ... the Oversight Board (in the Oversight Board’s sole discretion) ... (1) reasonable compensation for actual, necessary services rendered by the professional, or attorney and by any paraprofessional employed by any such person; and (2) reimbursement for actual, necessary expenses.”

9. Pursuant to subdivision (c):

In determining the amount of reasonable compensation to be awarded to a professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

(1) the time spent on such services;

(2) the rates charged for such services;

(3) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this chapter;

(4) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;

(5) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the restructuring field; and

(6) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title or title 11, United States Code.

10. PROMESA section 317 and the Second Amended Interim Compensation Order, entered June 6, 2018 [ECF No. 3269] (“Interim Compensation Order”) permit professionals to apply for allowance of compensation and reimbursement of expenses on an interim basis.

11. Each factor set forth in section 316(c) supports allowance of the compensation sought herein on an interim basis.

(a) Time spent on services rendered. Mr. Wolfe expended 557 hours rendering services on behalf of the Oversight Board during the Compensation Period. Time detail for the Compensation Period is annexed hereto as Exhibit 1.

(b) Rates charged. As set forth in the Wolfe Certification (defined below), the compensation sought is billed at rates no less favorable than those customarily employed by him.

(c) Whether Services were necessary or beneficial. The services rendered were necessary to the administration of these Title III cases, and beneficial when rendered. The Oversight Board hired Mr. Wolfe for the purpose of providing these services and has approved this application.

(d) Timeliness of services rendered. The services rendered were performed within a reasonable amount of time, given their complexity and importance to these Title III cases.

(e) Professional certifications; Restructuring Experience. As noted above, in addition to holding a Ph.D. in economics, Mr. Wolfe has decades of experience at the IMF, and the macroeconomic expertise sought by the Oversight Board and necessary to the success of these cases.

12. During the Compensation Period, Mr. Wolfe incurred reasonable and necessary expenses in connection with his engagement. A detailed itemization is annexed hereto as Exhibit 2. Mr. Wolfe has endeavored to minimize expenses incurred in connection with this engagement, and submits that those expenses for which reimbursement is sought are reasonable and justified by the circumstances to effectively serve the needs of the Oversight Board.

13. The certification required by Local Rule 2016-1(a)(4) and Rule 2016 is annexed hereto as Exhibit 3 (“Wolfe Certification”).

WHEREFORE, Mr. Wolfe requests an order allowing interim compensation for services rendered during the Compensation Period in the amount of \$100,000 and reimbursement of actual and necessary expenses incurred during such period in the amount of \$13,157.16, directing payment of the foregoing amounts less that portion already paid under the Interim Compensation Order, and granting such other and further relief as this Court deems just and proper.

Dated: July 16, 2018

Respectfully submitted,

/s/ Andrew Wolfe

Andrew Wolfe

*Macroeconomic Consultant to Financial
Oversight and Management Board*

By: /s/ Jeffrey Chubak

Jeffrey Chubak

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